

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re

LEHMAN BROTHERS HOLDINGS INC., *et al.*,

Debtors.

:
:
:
:
:
:
:
:
:
:
:
:

Chapter 11

Case No. 08-13555 (JMP)

(Jointly Administered)

**FIRST SUPPLEMENTAL AFFIDAVIT OF
JOSEPH FOY ON BEHALF OF
PRICEWATERHOUSECOOPERS LLP,
TAX ADVISORS TO THE DEBTORS**

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

JOSEPH FOY, being duly sworn, upon his oath, deposes and says:

1. I am a partner at PricewaterhouseCoopers LLP ("PwC"), located at 300 Madison Avenue, New York, New York, 10017.

2. On June 23, 2009 [Docket No. 4152], I executed an Affidavit (the "Original Affidavit") on behalf of PwC in support of the Application (the "Application") of the above captioned debtors and debtors-in-possession (collectively, the "Debtors"), including Lehman Brothers Holding Inc. ("LBHI"), to provide tax advisory services as described in the Application and more fully set forth in the Engagement Letters.¹ On July 16, 2009, the Court

¹ All capitalized terms not otherwise defined herein are to be given the meanings ascribed to them in the Application.

entered into an order authorizing the Debtors to retain and employ PwC as tax advisors [Docket No. 4425].

3. I respectfully submit this supplemental affidavit in connection with PwC's continued service as tax advisors to the Debtors. PwC has not increased its hourly rates since the Application filed and approved in 2009. However, the hourly rates of the PwC partners and professionals providing tax advisory services to non-Debtors has increased in 2010 and again now in 2011, both effective April 1st of the respective calendar year.

4. On March 28, 2011, PwC disclosed the negotiations of an hourly rate increase to the Fee Committee for the tax advisory services beginning April 1, 2011. At that time, the percentage increase and final hourly rate structure was not finalized between the Debtors and PwC.

5. This supplemental affidavit supplements the Original Affidavit by providing disclosure to the Court that PwC and the Debtors have agreed to a four-percent (4%) increase from the rates submitted under the Application for the tax advisory services, effective April 1, 2011.² The 2011 hourly rates are as follows: Partner: \$651; Managing Director: \$539; Director: \$463; Manager: \$371; Senior Associate: \$295; Associate: \$213; Administrative: \$132.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

² The rates for the PwC US bankruptcy retention and billing advisors remains consistent with the Application and these rates are not being increased.

Pursuant to 28 U.S.C § 1746, I declare under penalty of perjury under the laws of the
United States of America that the foregoing is true and correct.

Dated: May 25, 2011



JOSEPH FOY, Partner

PRICEWATERHOUSECOOPERS LLP
300 Madison Avenue
New York, New York 10017
Telephone: [put general NY number]
Facsimile: [put general NY fax number]

*Tax Advisors to the Debtors and Debtors-in-
Possession*